



STATE OF NEW JERSEY

Board of Public Utilities

Two Gateway Center

Newark, NJ 07102

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CABLE TELEVISION

IN THE MATTER OF THE ALLEGED FAILURE OF)	ORDER ACCEPTING
CERTAIN SUBSIDIARIES OF CSC HOLDINGS, INC. TO)	OFFER OF SETTLEMENT
COMPLY WITH PROVISIONS OF THE NEW JERSEY)	
CABLE TELEVISION ACT, <u>N.J.S.A. 48:5A-1 et seq.</u> ,)	
AND/OR THE NEW JERSEY ADMINISTRATIVE CODE,)	
<u>N.J.A.C. 14:18-1.1 et seq.</u>)	Docket No. CO03090707

(SERVICE LIST ATTACHED)

BY THE BOARD:

CSC Holdings, Inc. ("CSC") with its principle office located at 1111 Stewart Avenue, Bethpage, New York, 08873, is a multi-system cable television system operator, and subsidiary of Cablevision Systems Corporation which, through various operating subsidiaries (collectively "Cablevision"), provides cable television services to approximately 945,568 subscribers in 179 municipalities in Bergen, Essex, Hudson, Mercer, Middlesex, Monmouth, Morris, Passaic, Somerset, Sussex, Union and Warren counties.

The Board's Office of Cable Television Inspection and Enforcement Bureau ("OCTV"), after conducting a routine compliance review and serving notice of its allegations on Cablevision has alleged that Cablevision did not conform to certain provisions of the New Jersey State Cable Television Act, N.J.S.A. 48:5A-1 et seq. and the New Jersey Administrative Code, N.J.A.C. 14:18-1.1 et seq., as more specifically set forth herein below and six Board Orders as stated in paragraphs 19, 20, 21 and 22. The aforementioned statutes, regulations and Board Orders require all cable systems in New Jersey to provide protection to the cable consumer.

As a result of correspondence, telephone conversations and settlement conferences between Cablevision and the OCTV, Cablevision, on September 16, 2003, submitted an Offer of Settlement to the Board concerning the following alleged non-conforming practices:

1. that Cablevision failed to comply with FCC Consumer Service Standards (30 second hold time) as required by 47 C.F.R. §76.309(c) during the third and fourth quarters of 2002, and first quarter of 2003.
2. that Cablevision failed to comply with FCC Customer Service Standards (3% busy) as required by 47 C.F.R. §76.309(c) during the first quarter of 2003.

3. that Cablevision failed to file periodic Telephone System Performance reports with the OCTV as required by N.J.A.C. 14:18-7.7 for the period between 1992 and 2003.
4. that Cablevision failed to file annual Telephone System Information reports with the OCTV as required by N.J.A.C. 14:18-7.6 for the period between 1991 and 2002.
5. that Cablevision failed to file updated Telephone System Information reports with the OCTV following a substantial change in its telephone system as required by N.J.A.C. 14:18-7.6.
6. that Cablevision failed to file and maintain complete tariffs showing all rates, terms, conditions of service and service packages and disclose same to their customers as required by N.J.A.C. 14:18-3.3(d), N.J.A.C. 14:18-3.4, N.J.A.C. 14:18-3.16(a)1 and 2, N.J.S.A. 48:5A-11 and N.J.S.A. 48:5A-36(b).
7. that Cablevision failed to provide its subscribers with quarterly notification of the availability of outage credits as outlined in N.J.A.C. 14:18-3.5, and required by N.J.A.C. 14:18-3.18(b)1.
8. that Cablevision failed to provide its subscribers with quarterly notification of the complaint officer and the Office's toll free telephone number as required by N.J.S.A. 48:5A-26(c) and N.J.A.C. 14:18-3.18(b)2.
9. that Cablevision failed to provide its subscribers with quarterly notification of the availability of hearing impaired devices as required by N.J.A.C. 14:18-3.14(a)2.
10. that Cablevision failed to provide its subscribers with annual notification of the availability of Parental Locking Devices as required by N.J.A.C. 14:18-3.14(a)1.
11. that Cablevision failed to provide its subscribers with annual notification of the availability of Senior Citizen and disabled persons discounts as required by N.J.A.C. 14:18-3.18(a)4.
12. that Cablevision failed to provide its subscribers with annual Privacy notification as required by N.J.S.A. 48:5A-56(b) and N.J.A.C. 14:18-3.18(a)2.
13. that Cablevision failed to provide its subscribers with annual notification of monthly service charges for all classes of service as required by N.J.A.C. 14:18-3.18(a)1.
14. that Cablevision failed to provide its new or prospective subscribers with adequate information regarding its services as required by N.J.A.C. 14:18-3.3(d) and N.J.A.C. 14:18-3.18(a).
15. that Cablevision failed to notify the subscribers, the municipalities it services and OCTV of a change in its Senior and Disabled discount 30 days prior to the change as required by N.J.A.C. 14:18-3.20(b).
16. that Cablevision failed to notify the OCTV of a change in its channel allocation on a form proscribed by the Director as required by N.J.A.C. 14:18-3.17(a).

17. that Cablevision failed to notify the OCTV of the completion of a rebuild or upgrade of its cable system as required by N.J.A.C. 14:18-7.4.
18. that Cablevision failed to provide its subscribers with the correct name, address and/or telephone number of its cable television company, a due date for payment at least 15 days from the date of the bill on its monthly billing statements and any other separate fees for service on the bills pursuant to N.J.A.C. 14:18-3.7(a)1, N.J.A.C. 14:18-3.7(a)8 and N.J.A.C. 14:18-3.9(a).
19. that Cablevision failed to comply with the Board Order in Docket No. CE00100758, by failing to issue a one-time capital contribution of \$85,000 to the Township of Lakewood within 60 days of its Certificate of Approval and failing to notify the Board on or before the date required in the Board Order pursuant to N.J.A.C. 14:17-11.1.
20. that Cablevision failed to comply with the Board Orders in Docket Nos. CE00120977, CE01070442 and CE01070449 by failing to provide evidence of a sufficient performance bond, and failing to complete construction within the timeframe required, under the Certificates of Approval for the Townships of Long Hill and Mendham and the Borough of Mendham and to notify the Board on or before the date required in the Board Orders pursuant to N.J.A.C. 14:17-11.1.
21. that Cablevision failed to comply with the Board Order in Docket No. CR01110729, by failing to submit a statement of refund liability on or before the date required in the Board Orders pursuant to N.J.A.C. 14:17-11.1.
22. that Cablevision failed to comply with the Board Order in Docket No. CE0009073, by failing to provide PEG access equipment and building wiring to the Township of Howell within the timeframe set out in its Certificate of Approval and failing to notify the Board on or before the date required in the Board Order pursuant to N.J.A.C. 14:17-11.1.

Cablevision submitted its monetary Offer of Settlement in the amount \$500,000.00 in order to resolve all issues concerning the violations alleged by the Office. The Offer represents a reasonable settlement in view of the alleged violations.

As part of its Offer of Settlement, Cablevision has agreed to file with the Federal Communications Commission ("FCC") a petition for declaratory judgment, on or before a date that is 90 days from the date on which a final Order accepting this Offer of Settlement is issued by the BPU, seeking a determination by the FCC as to the extent by which local franchising authorities may (i) require cable companies to prepare and submit tariffs detailing the rates, terms and conditions of services offered to New Jersey residents and (ii) impose associated penalty provisions including the ability to enforce, and invoke refund liability based upon, the cable companies' failure to charge customers in accordance with the information submitted by cable operators and noticed to customers under tariffs or rate cards for all regulated and unregulated tiers of programming, equipment and services. Such petition shall be submitted to the OCTV at least 10 days in advance of filing for approval as to the framing of the declaratory judgment sought, such approval not to be unreasonably withheld. Pending the determination of the above petition by the FCC, Cablevision shall continue to prepare and submit tariffs as set forth in New Jersey statutes and regulations. Also during the pendency of the FCC ruling, the OCTV shall not act to enforce any claims of violations with respect to tariff filings or refunds based upon information in tariffs or rate cards.

In the event that the resulting declaratory judgment from the FCC, or whatever ultimate authority issues a final decision following review, implicates refund liability, Cablevision shall be required to provide refunds, with interest using the IRS rates for over and underpayments utilized by the FCC, compounded daily through the date of distribution, to customers for all situations wherein Cablevision charged in excess of the lowest of their tariffs or rate cards for any programming, equipment or service from January 1, 2001 forward, or as otherwise directed in the final declaratory judgment.

The OCTV will monitor Cablevision or its successor's future notice requirements, billing practices and procedures and record keeping as set forth in the New Jersey Administrative Code.

The Board has reviewed the matter and HEREBY FINDS it to be reasonable. Therefore, the Board HEREBY ACCEPTS the Offer of Settlement proffered by Cablevision subject to the following provisions, conditions and/or limitations:

1. Cablevision shall tender \$500,000.00 to the Department of Education, State of New Jersey, to support educational programs, within thirty (30) days of the Board's acceptance of the Offer of Settlement. These funds are to be made available for the Department of Education's P-12 Higher Education Partnership Grants and the Schools of Excellence programs in public schools and private special need schools in the impacted service area, which includes portions of Bergen, Essex, Hudson, Mercer, Middlesex, Monmouth, Morris, Passaic, Somerset, Sussex, Union and Warren Counties.
2. Cablevision shall, on an on-going basis, provide verified proof to the OCTV that all required quarterly and annual notices are sent to subscribers for each and every New Jersey cable television system under its operation or control in accordance with N.J.S.A. 48:5A-26(c), N.J.A.C. 14:18-3.5 and N.J.A.C. 14:18-3.18 in the form of a true copy of the notices sent and proof of mailing within thirty (30) days of the completion of such notices.

Verified proof that all required quarterly and annual notices are sent to subscribers in each and every New Jersey cable television under its operation or control, a true copy of the notices sent and proof of mailing, shall be filed by Cablevision with the Director of the OCTV within 15 days of the end of the quarter or annual period for which the notice is required.

3. Cablevision shall provide verified proof to the OCTV no later than November 30, 2003, that:

The following corrective action has been implemented on or before November 15, 2003 so as to:

- a. ensure its subscribers have adequate access to company personnel by answering subscriber phone calls within the 30 second hold time as required by 47 C.F.R. §76.309(c).
- b. ensure it subscribers have adequate access to company personnel by answering subscriber phone calls within the 3% busy standard as required by 47 C.F.R. §76.309(c).

- c. ensure that going forward it files annual Telephone System Information reports with the Office as required by N.J.A.C. 14:18-7.6.
- d. ensure that going forward it files periodic Telephone System Performance reports with the Office as required by N.J.A.C. 14:18-7.7.
- e. ensure that complete tariffs showing all rates, terms, conditions of service and service packages filed and maintained and disclose same to the subscribers as required by N.J.A.C. 14:18-3.3(d), N.J.A.C. 14:18-3.4, N.J.A.C. 14:18-3.16(a)1 and 2, N.J.S.A. 48:5A-11 and N.J.S.A. 48:5A-36(b).
- f. ensure that periodic notification of the availability of outage credits are provided to the subscribers as outlined in N.J.A.C. 14:18-3.5 and as required by N.J.A.C. 14:18-3.18(b)1.
- g. ensure that the periodic notification of the complaint officer and the Office's telephone number is provided to the subscribers as required by N.J.S.A. 48:5A-26(c) and N.J.A.C. 14:18-3.18(b)2.
- h. ensure that periodic notification of a senior citizens/disabled discount is provided to the subscribers as required by N.J.A.C. 14:18-3.18(a)4.
- i. ensure that periodic notification of the availability of hearing impaired devices are provided to the subscribers as outlined in N.J.A.C. 14:18-3.14(a)2.
- j. ensure that periodic notification of the availability of parental lock devices are provided to the subscribers as outlined in N.J.A.C. 14:18-3.5 and as required by N.J.A.C. 14:18-3.18(b)1.
- k. ensure that periodic notification of the monthly service charges for all classes of service is provided to the subscribers as required by N.J.A.C. 14:18-3.18(a)1.
- l. ensure that the periodic notification of customer Privacy rights is provided to the subscribers as required by N.J.S.A. 48:5A-56(b) and N.J.A.C. 14:18-3.18(a)2.
- m. ensure that the correct name, address and/or telephone number of Cablevision's customer service department appears on its monthly billing statements and any other separate fees for service on the bills as required by N.J.A.C. 14:18-3.7(a)1 and N.J.A.C. 14:18-3.7(a)8.
- n. ensure that the due date for payment, that is no less than 15 days for the date of the bill appears on its monthly billing statements and any other separate fees for service on the bills as required by N.J.A.C. 14:18-3.9(a).
- o. ensure that going forward it files written notice to the OCTV of alterations in its channel allocations on the form proscribed by the Director as required by N.J.A.C. 14:18-3.17(a).
- p. ensure that going forward it provides appropriate customer information on equipment needed or no longer necessary to obtain service as required by N.J.A.C. 14:18-3.3.

- q. ensure that going forward it complies with all terms and conditions of Orders and directives issued by this Board and the Director as required by N.J.S.A. 48:5A-9.
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- 4. The Board's acceptance of the Offer of Settlement is for the purposes of this proceeding only, addressing only those specific allegations and timeframes addressed in the Offer of Settlement and shall not be construed as limiting the Board's authority in any other matter affecting Cablevision or any successor company.
 - 5. For the purposes of assessing penalties for future offenses by Cablevision, its assigns or successors that may now or in the future operate the cable television system that is the subject of the Offer of Settlement, such future offenses shall be considered third or subsequent offenses, in accordance with N.J.S.A. 48:5A-51(b).

6. Cablevision shall maintain its billing records from January 1, 2001 forward for all cable systems under its ownership and control to enable a full audit of all billing records and in a manner which allows Cablevision and the Board to match tariff rates for all periods to customer bills.

DATED: 10/01/03

BOARD OF PUBLIC UTILITIES
BY:

(SIGNED)

JEANNE M. FOX
PRESIDENT

(SIGNED)

FREDERICK F. BUTLER
COMMISSIONER

(SIGNED)

CAROL J. MURPHY
COMMISSIONER

(SIGNED)

CONNIE O. HUGHES
COMMISSIONER

(SIGNED)

JACK ALTER
COMMISSIONER

ATTEST:

(SIGNED)

KRISTI IZZO
SECRETARY

**IN THE MATTER OF THE ALLEGED FAILURE OF CERTAIN SUBSIDIARIES
OF CSC HOLDINGS, INC. TO COMPLY WITH PROVISIONS OF THE NEW
JERSEY CABLE TELEVISION ACT, N.J.S.A. 48:5A-1 et seq., AND THE
NEW JERSEY ADMINISTRATIVE CODE, N.J.A.C. 14:18-1.1 et seq.**

OFFER OF SETTLEMENT

DOCKET NO. CO03090707

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